MT LEGISLATIVE HISTORY

Chapter 183 1961

Bill H 343 S _____ Original bill & hist. ___C

H. Committee on St. Admin.		S. Committee on St. Admin.	
Hearing Date(s) 2/1	___C	Hearing Date(s) 2-23	___C
2/4	___C	_____	___C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out _____	___C	2-23	___C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

STATE ADMINISTRATION COMMITTEE

2-1-61

The committee on State Administration met this date with fourteen members present. The meeting was called to order by the Chairman in Room 407.

The first order of business was House Bill 363. Speaking as proponents to the bill were: John W. Bonnor, counsel for Montana branch of International Operator Engineers, with chapters at Billings, Great Falls, and Butte; Dan J. Mooney, Cahill-Mooney Contruction Company, Butte; J. Einar Larson, Montana Independant Meat Packers Association; Peter J. Gilligan, State Building Trades, Great Falls; Edward Picard, Representative, Silver Bow County; Joe Crosswhite, Montana A.F.L-C.I.O.; Hoyt L. Larison, President, Columbia Paint Company, Helena. Attached to minutes is a list of others present and some questions were answered by these persons.

Mr. Bonnor stated he felt this bill would help all Montana people and made reference to a similar Senate Bill, No 202, which is presently being considered in the Senate. He felt this was a better bill and stated further that the Senate is anxiously awaiting House Action on House Bill 363.

Mr. Mooney stated he was representing only his company, but they were in favor of this bill, in order to protect them against competition from out of state. He stated they try to keep workers but that if they do not get contacts it is not possible to keep employees employed. Outside contractors bring in a great number of their own employees and this discriminates against the Montana worker. He cited overpasses in Butte where beams all came from Idaho Falls, Idaho, even though we have manufacturers in Montana who make beams of equal quality, but cannot compete pricewise with the Idaho firm. Another similar example was given on concrete blocks, most of which come from Idahc, even though we have good concrete block plants in the state. Stated his firm would appreciate any relief that can be given in this matter. Mr. Mooney cited recent bids their firm had lost recently because of being high which they could have been granted had this five per cent law been in effect.

The possibility of corporations coming into the state and setting up a "so called front" was discussed and it was felt this was covered by the bill.

Mr. Larson gave his impression of the bill as relative to the meat packing industry, pointing out that it was not possible to have large meat packing companies in Montana. It felt this bill would be beneficial to this industry.

Mr. Gilligan stated the Montana Building Trade Council is in favor of this law. It was suggested that many out-of-state contractors take a job too low in the first place, the job goes bad, and is often left uncompleted or completed in an inferior manner at a cost to the taxpayer.

Mr. Picard offered a proposed amendment to this law (see attached copy) pertaining to local printers.

Mr. Robert Harris noted that we have good labor relations with the Montana Contractors and only in the states where labor is not organized do we get this unfair competition. He spoke for the state building trades group, made up of all construction groups in the state.

Mr. Crosswhite noted that several neighboring states have already passed or are considering this type of legislation.

The question of whether or not this infringed on free enterprise came up, and this was answered by Mr. McCaffery who stated we do not have available working capital for industry to grow in the state and, therefore, he contended the question was rather abstract. He recognized we are not in position to compete with outside contractors or material. He cited a comparison where the highway commission has preferred to use wrinkle tin rather than concrete pipe. There have been tests made showing that a certain concrete pipe is as durable as the wrinkle tin, but still the wrinkle tin is used and they are not able to even bid on jobs requiring the use of this tin.

The ~~motion~~ was also made that wages paid and income tax paid to Montana workers helps Montana.

Mr. Larison, President of Columbia Paint Company, cited examples where their firm had lost contracts by losing a cent or two over another bid. Their firm went on record as being for the bill.

Proponents to House Bill 363 were then excused.

The committee then heard opponents to House Bill 174 (proponents were heard January 30). Their representative was William F. Crowley. He felt this bill would cost to the state a maximum of $400,000.00. It is difficult to estimate because many employees would not elect to be covered by the insurance. After presenting his case, he was dismissed from the meeting.

ACTION ON HOUSE BILL 174, 363, and Substitute Substitute House Bill 6

It was moved by Mr. Coulter that House Bill 174 do not pass. This motion was seconded by Mr. ~~Stearns~~ and carried with one dissenting vote.

A motion was made by Mr. Edwards/Burrell that House Bill 363 do not pass. This motion was seconded by Mr. ~~Bradford~~. After discussion, Mr. Edwards withdrew his motion. It was then moved by Mr. Eskildsen that this committee delay action on this bill. This motion was seconded by Mr. Cerovski and carried.

Previously recommended for approval of the House was Substitute for Substitute House Bill 6. This has not been filed with the Clerk's office by the Chairman and it was moved by Mr. Hazelbaker that this

HB 119	Advisory Board of Montana Law Enforcement Academy	2-3	Concur
HB 167	Abolish State Board of Hail Insurance	2-20	Do not concur
HB 181	Increase mileage paid to state employees	2-20	Concur
HB 186	Reimbursement from Hail Insurance Fund to counties and state	2-24	Amend-concur
HB 194	Increase salary of Chairman of State Board of Hail Insurance	2-24	Concur
Sub HB 203	Creating Real Estate Commission	2-24	Do not concur
HB 206	Cut-off date for submitting state claims	2-17	Concur
HB 207	Deadline dates for submitting budget information	2-17	Concur
HB 215	Increase per diem allowance for state employees	2-20	Concur
HB 231	Compensation to architects for public buildings	2-24	Concur
Sub HB 359	Care and custody of geriatrics & seniles at the State T.B. Sanitarium	2-18	Concur
HB 361	Board of Examiners authorized to sell certain lands in Powell County	2-24	Amend-concur
HB 363	Preference for Montana Residents and products on contracts of state and public corporations	2-24	Amend-concur
HB 367	Providing penalty for late renewal of cosmetologists' licenses	2-20	Amend-concur
HB 368	R.E.A. & R.T.A. cooperatives file rates with Public Service Commission	2-24	Do not concur
HB 375	Legislative pay to be considered reimbursement for expenses	2-18	Amend-concur
Sub HB 391	Certain officers and boards to serve at Governor's pleasure	2-23	Do not concur

STATE ADMINISTRATION

1961

	House Committee	Considered	Sub Comm.	Recommend do pass	Recommend do not pass	Killed	Sub Bill	Printing	General Ord.	3rd reading	Senate	Concurred In	GOVERNOR	
207		2-9		✓										
215		2-4	Burrell Rhyndal Rozell		✓									
277		2-16			✓									
289		2-6	—		✓									
296		2-9			✓									
311		2-9	Murry, Stevens Perovich		✓									
339		2-10		✓			✓							
361		2-9		✓										
363		2-1 2-4		✓										
367		2-1		✓										
375		2-9		✓										
387		2-9			✓									
390		1-30 2-6	Lord Hazelbaker Perovich		✓									
391		2-11		✓			✓							
393		2-6		✓										

THE STATE ADMINISTRATION COMMITTEE

February 4, 1961

The committee on State Administration met February 4, 1961, at a special meeting. There were fourteen members present. The meeting was called to order by the Chairman.

First order of business was House Bill 363 which was previously discussed by this committee on February 1. After consideration it was moved by Mr. Wayrynen that this bill be amended by inserting a new paragraph (see attached copy of amendment). This motion was seconded by Mr. Etchart and carried. It was then moved by Mr. Cerovski that House Bill 363, as amended, do pass. This motion was seconded by Mr. Coulter and carried with two opposition votes.

The Chairman then called for the sub-committee report on House Bill 33, copy attached. After discussion it was moved by Mr. Sterns that House Bill 33 do not pass. This motion was seconded by Mr. Burrell and carried, nine voting for motion, three voting against, and two abstaining votes.

The next order of business was House Bill 215. Mrs. Rosell again reported for the sub-committee, recommending that this bill do not pass. After discussion, it was moved by Mr. Lord that House Bill 215 do not pass. This motion was seconded by Mr. Stearns and carried. Mr. Raundal and Mr. Murray asked that the minutes show they voted against the motion.

The next order of business was consideration of House Bill 181. It was moved by Mr. Lord that House Bill 181 do not pass. This was seconded by Mrs. Rosell. A substitute motion was made by Mr. Coulter to amend the bill to provide for payment of eight cents per mile. This substitute motion was seconded by Mr. Stranahan, and the vote on the substitute motion carried with seven members voting aye, six voting no, and 1 abstaining vote. The motion was then made that House Bill 181, as amended, do pass. This motion was made by Mr. Coulter, seconded by Mr. Wayrynen, and carried with 7 voting aye, 6 voting no, 2 abstaining votes.

The meeting adjourned.

Wright

J. STEWART WRIGHT

February 4, 19 61

MR. SPEAKER:

We, your Committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 363

A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE REGULATIONS FOR THE AWARDING OF CONTRACTS BY THE STATE OF MONTANA, AGENCIES THEREOF, POLITICAL SUBDIVISIONS THEREOF, SCHOOL DISTRICTS AND OTHER PUBLIC CORPORATIONS; PROVIDING FOR PREFERENCE FOR MONTANA RESIDENTS AND FOR PRODUCTS MANUFACTURED AND PRODUCED IN THIS STATE; DEFINING THE WORD 'RESIDENT'; PROVIDING PENALTIES AND REPEALING ALL ACTS AND PARTS OF ACTS IN CONFLICT HEREWITH; CONTAINING A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 363

Be amended by inserting a new paragraph after the second paragraph in Section 3, said paragraph to read as follows:

"No preference shall be given on contracts where federal aid is obtained from any bureau or department of the United States except as provided for by the laws of the United States, nor shall the provisions of Section 82-1157, Revised Codes of Montana, 1947, be amended or repealed by this act."

AND AS AMENDED

~~Do Pass~~

UM - Q - 36712

J. STEWART WRIGHT Chairman

AMENDMENT TO HOUSE BILL NO. 363

* * * * * * * * * * * * * * * * * * *

That House Bill Number 363 be amended by inserting a new paragraph after the second paragraph in Section 3, said paragraph to read as follows:

"No preference shall be given on contracts where federal aid is obtained from any bureau or department of the United States except as provided for by the laws of the United States, nor shall the provisions of Section 82-1157, Revised Codes of Montana, 1947, be amended or repealed by this act".

HB 186 amended, and as amended be concurred in

Discussion was had on House Bill No. 186, which provides for reimbursement to the counties and state from Hail Insurance funds. Motion was made by Senator MacDonald, seconded by Senator Mackay and carried unanimously, that House Bill No. 186 be amended in accordance with the committee report attached to these minutes.

Motion was made by Senator MacDonald, seconded by Senator Cummings, and carried unanimously, that House Bill No. 186, as amended, be concurred in.

Sub. HB 391 Not Concurred In

Motion was made by Senator Sagunsky, seconded by Senator MacDonald, and carried, that Substitute House Bill No. 391 be not concurred in.
(This provides that certain officers and boards shall serve at the pleasure of the Governor.)

Sub HB 203 Not Concurred In

Motion was made by Senator MacDonald, seconded by Senator Nees, and carried unanimously, that Substitute House Bill No. 203 be not concurred in.
(This bill provides for a Real Estate Commission, etc.)

Sub HB 400 Do Not Pass, but Senate Sub. for Sub. HB 400 do pass

Discussion was had on Substitute House Bill No. 400, which would create a State Building Commission. The Chairman read a proposed Senate Substitute for Substitute House Bill No. 400.

Motion was duly made, seconded and carried, that Substitute House Bill No. 400 do not pass, but that Senate Substitute for Substitute House Bill No. 400 do pass.

HB 363 amended, and as amended, be concurred in

Motion was made by Senator MacDonald, seconded by Senator Cook, and carried unanimously, that House Bill No. 363 be amended as provided on the copy of the committee report attached to these minutes.
(This bill provides a preference for Montana residents and products on contracts awarded by the State)

Motion was made by Senator MacDonald, duly seconded and carried, that House Bill 363, as amended, be concurred in.

HB 368 be not concurred in

Motion was made by Senator Mackay, seconded and carried, that House Bill No. 368 be not concurred in.
(This bill provides that Rural Electric and Rural Telephone Cooperatives file their rates with the Public Service Commission.)

Senate Resolution req. co-ops to file rates with Public Service Commission

Motion was made by Senator Mackay that a suitable Senate Resolution be drawn requesting that the Railroad and Public Service Commission request all of the Rural Electrical Cooperatives and the Rural Telephone Cooperatives to submit their rates and schedules to the Public Service Commission, and to further advise the Public Service Commission of any change in rates, for their information; and that such Senate Resolution be introduced by the Committee on State Administration.

February 24, 1961

MR. PRESIDENT:

We, your Committee on State Administration

having had under consideration House Bill No. 363

A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE REGULATIONS FOR THE AWARDING OF CONTRACTS BY THE STATE OF MONTANA, AGENCIES THEREOF, POLITICAL SUBDIVISIONS THEREOF, SCHOOL DISTRICTS AND OTHER PUBLIC CORPORATIONS; PROVIDING FOR PREFERENCE FOR MONTANA RESIDENTS AND FOR PRODUCTS MANUFACTURED AND PRODUCED IN THIS STATE; DEFINING THE WORD "RESIDENT"; PROVIDING PENALTIES AND REPEALING ALL ACTS AND PARTS OF ACTS IN CONFLICT HEREWITH; CONTAINING A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE."

Respectfully report as follows: That House Bill No. 363

BE AMENDED AS FOLLOWS:

On page 1, line 27 of the original bill (being page 1, line 10 of the printed bill), following the words "more than", by striking the words and figures "five per cent (5%)", and inserting in lieu thereof the following words and figures, "two percent (2%)";

AND AS AMENDED, BE CONCURRED IN

DO PASS

Chairman

UM - Q - 36712

Repealing clause.

Section 3. All acts and parts of acts in conflict herewith are hereby repealed.

Approved March 6, 1961.

CHAPTER 182

An Act Providing That When the State Highway Commission Constructs a Highway Through an Irrigation Project or District and Acquires Under Eminent Domain, or Otherwise, Irrigable Land for Highway Purposes, or Acquires Land for Such Purposes Which Acquisition Renders Other Irrigable Land Unusable for Irrigation, the State Highway Commission Shall Pay to the Owner of the Irrigation or Drainage Project, or to the Irrigation or Drainage District, a Proportionate Share of the Unpaid Construction Costs, If Any, for the Irrigable Land So Acquired, or Such Irrigable Land Rendered Unusable for Irrigation; and Providing An Effective Date for the Act.

Be it enacted by the Legislative Assembly of the State of Montana:

State highway commission to pay share of construction costs of irrigation projects—when.

Section 1. Whenever the state highway commission constructs a highway through an irrigation or drainage project or district and acquires under eminent domain, or otherwise, irrigable land for highway purposes, or so acquires land for such purposes which acquisition renders other irrigable land unusable for irrigation, the state highway commission shall pay to the owner of the irrigation or drainage project, or to the irrigation or drainage district in addition to any other sums allowed by law, a proportionate share of the unpaid construction costs of the project or the district, if any, for the irrigable land so acquired, or such irrigable land rendered unusable for irrigation.

Effective immediately.

Section 2. This act shall be in full force and effect from and after its passage and approval.

Approved March 6, 1961.

CHAPTER 183

An Act to Create Regulations for the Awarding of Contracts by the State of Montana, Agencies Thereof, Political Subdivisions Thereof, School Districts and Other Public Corporations; Providing for Preference for Montana Residents and for Products Manufactured and Produced in This State; Defining the Word 'Resident'; Providing Penalties and Repealing All Acts and Parts of Acts in Conflict Herewith; Containing a Severability Clause and An Effective Date.

Be it enacted by the Legislative Assembly of the State of Montana:

State contracts—duty to award.

Section 1. In order to provide for an orderly administration of the business of the State of Montana in awarding contracts for materials, supplies, equipment, construction, repair and public works of all kinds, it shall be the duty of each board, commission, officer or individual charged by law with the responsibility for the execution of the contract on behalf of the state, board, commission, political subdivision, agency, school district or public corporation of the State of Montana, to award such contract to the lowest responsible bidder who is a resident of the State of Montana and whose bid is not more than two per cent (2%) higher than that of the lowest responsible bidder who is a non-resident of this state. This requirement shall prevail whether the law required advertisement for bids or does not require advertisement for bids.

"Resident" defined.

Section 2. For the purpose of this act the word "resident" shall include actual residence of an individual within this state for a period of more than one (1) year immediately prior to bidding; in a partnership enterprise or an association, the majority of all partners or association members shall have been actual residents of the State of Montana for more than one (1) year immediately prior to bidding; domestic corporations organized under the laws of the State of Montana are prima facie eligible to bid as residents but this qualification may be set aside and a successful bid disallowed where it is shown to the satisfaction of the board, commission, officer or individual charged with the responsibility for the execution of such contract that said corporation is (a) composed of resident organizers or directors of this state who have no substantial interest or investment in the corporation for which they are acting and that the ownership and control of said company is vested in non-residents; (b) that the Montana corporation is a wholly-owned subsidiary of a foreign corporation; (c) that said corporation was formed for

the purpose of circumventing the provisions of this act relating to residence.

Contracts to provide for use of Montana products.

Section 3. Each contract awarded by any political subdivision, school district, public corporation or agency of the State of Montana shall contain among its provisions a requirement that in all instances products manufactured or produced in this state by Montana industry and labor shall be preferred for use in all projects and in all materials, supplies and equipment, if such products, materials, equipment and supplies are comparable in price and quality. Further, in this connection, it is the intent of this act that wherever possible products manufactured and produced in this state which are suitable substitutes for products manufactured or produced outside the state and comparable in price, quality and performance, shall be preferred for use in all projects and in all state institutions.

Effect of violation.

Failure to comply with the law in this respect shall disqualify such contractor as a qualified bidder for future contracts with the State of Montana, any legal subdivision of the State of Montana, any school district, public corporation or agency for a period of two (2) years.

No preference shall be given on contracts where federal aid is obtained from any bureau or department of the United States except as provided for by the laws of the United States, nor shall the provisions of section 82-1157, Revised Codes of Montana, 1947, be amended or repealed by this act.

Severability clause.

Section 4. If any section, subsection, sentence, phrase or clause of this act is for any reason held to be unconstitutional or invalid, such declaration shall not effect the validity of the remaining portions of this act.

Repealing clause.

Section 5. All acts or parts of acts in conflict herewith are hereby repealed.

Effective immediately.

Section 6. This act shall take effect and be in full force from and after its passage and approval.

Approved March 6, 1961.

CHAPTER 184

An Act to Delete Obsolete References in the Revised Codes of Montana, 1947, Relating to State Mortgage Lands

and Farm Mortgage Loans by Amending Sections 81-902, 81-909, 81-910, 81-912, 81-1701 and 81-102, Revised Codes of Montana, 1947, and Section 81-908, Revised Codes of Montana, 1947, as Amended by Section 1, Chapter 95, Session Laws of Montana, 1949, and As Amended by Section 1, Chapter 10, Session Laws of Montana, 1959, and by Repealing Sections 81-911, 81-914, 81-1901, 81-1902, 75-3730, 75-3731, 75-3732, 75-3733, Revised Codes of Montana, 1947.

Be it enacted by the Legislative Assembly of the State of Montana:

Amending clause.

Section 1. That section 81-902, Revised Codes of Montana, 1947, is hereby amended to read as follows:

Mineral reservations in state lands.

"81-902. (1805.65) **Mineral reservations in state lands.** All coal, oil, oil shale, gas, phosphate, sodium and other mineral deposits, except sand, gravel, building stone and brick clay, in lands belonging to the State of Montana, or which may hereafter become the property of the state, which have not already been reserved by the United States, are hereby reserved to the state. All such deposits are reserved from sale except upon a rental and royalty basis as provided by law. In the case of lands sold after this act takes effect, a purchaser of any lands belonging to the state or which may hereafter become the property of the state shall acquire no right, title, or interest in or to any of such deposits. The state also reserves for itself and its lessees the right to enter upon to prospect for, develop, mine and remove such deposits and to occupy and use so much of the surface of the said lands as may be required for all purposes reasonably extending to the exploring for, mining and removal of such deposits therefrom, but the lessee shall make just payment to the purchaser for all damage done by reason of such entry upon the land and the use and occupancy of the surface thereof."

Rental and royalty. Mineral rights reserved to state.

Right of entry reserved.

Amending clause.

Section 2. That section 81-908, Revised Codes of Montana, 1947, as amended by section 1, chapter 95, session laws of Montana, 1949, and as amended by section 1, chapter 10, session laws of Montana, 1959, be, and the same is hereby amended to read as follows:

Qualifications—purchasers of state lands.

"81-908. (1805.71) **Who may purchase and how much.** State lands shall be sold only to citizens of the United States or to persons who have declared their intentions